

## Response to CenturyLink's petition for waiver

As the manager of one of the Wireless Internet Service Providers (WISP) listed in CenturyLink's petition for waiver, I would like to oppose the petition and respond to several of the claims that CenturyLink makes in its petition. We feel it is inappropriate for CAF grant funds be used to compete with a non-profit private company that is already providing broadband to these rural areas.

Here are the Benton Rural Electric Association's (Benton REA) responses to the following claims that Centurylink makes:

1. CenturyLink claims that "the NBM greatly overstates the broadband capabilities" of Benton REA's wireless service. Specifically, CenturyLink claims that because Benton REA defines an area of greater than 10 contiguous miles that we can provide wireless service to, we therefore must not be able to serve all of those residential units. There are several issues that I have with that claim:
  - a. Currently Benton REA serves roughly 700 wireless customers with 65 access points at more than 21 separate locations. Almost all of our signal tests find a site that they can be served from. On the few occasions when a customer could not directly see one of our access points, we have installed relay sites to provide service to the customer, with no additional charges. We were also fairly conservative in our estimates of coverage. In general, our coverage map is limited to 7 miles from an access point even though in many cases we are able to serve customers out 10 miles or more depending on where they are located.

The land topography of our coverage area is mostly a desert valley, where the only trees are typically planted as orchards and are low or are windbreak trees that only block a certain direction. Thus, we feel that while there may be inaccuracies in our coverage map, we find it extreme to say that it grossly exaggerates our coverage capabilities.
  - b. Secondly, of the 700 wireless customers that we serve, approximately 540 of those are within CenturyLink's telephone service territory. Despite this, CenturyLink lists only 129 residential units with "implausible coverage." It does nothing to define where these 129 residential units are located. Therefore, we find that its numbers and its claim that our coverage should not be considered as serving the entire area we list is unproven and should not be a valid reason to seek a waiver to compete with an existing broadband provider.
  - c. Given Benton REA's capabilities of providing service to those that may not have direct line of sight to one of our access points, we believe that it would be unfair to subsidize CenturyLink to the tune of \$775 per customer when in most cases we could serve them with adequate service at a significantly lesser cost.
2. CenturyLink also claims relief in areas served by any WISP if "that WISP exhibits the characteristics that led the Commission to disregard satellite broadband services for purpose of deciding which areas are "unserved" under CAF Phase I." CenturyLink then proceeds to break this down into four (4) areas, many of which are wrong or incomplete.

- a. First of all, CenturyLink claims that WISPs lack the capacity to serve many high-bandwidth subscribers within their service areas. This is patently not true in the way we implement our wireless service. As noted, we have an average of less than 12 customers per access point that we serve. As such, we have found that we have the ability to provide 1 Mbps connectivity reliably to all of our customers and in testing have determined that our customers are typically able to achieve 95% or more of that speed even during our peak times of usage. Unlike a satellite provider, our costs for implementing a new site are often less than \$10,000 as we are able to mount equipment on power poles on ridges, tall granaries and other equivalent structures. Should the customer base expand in an area to require more backhaul bandwidth to that site, we can implement a microwave link to that site for as little as \$15,000 providing at least 100 Mbps to the access point. Should line of sight or bandwidth become an issue on a particular access point, we have also found that we can implement mini-pop sites for approximately \$2-3,000 and serve upwards of 10 customers on those. Given the new frequencies becoming available in the television white spaces, we believe that we can continue to expand our network to increase the bandwidth available overall as well as the bandwidth available to each customer. In addition to this, while CenturyLink's claim is that we cannot easily increase our bandwidth, we have had many former CenturyLink customers move on to our services because at peak times they were unable to achieve the bandwidth that was advertised. In addition to the local constraints, backhaul out of the area is also important and CenturyLink has proven multiple times in this area that they are not as able or willing to increase bandwidth as quickly as we do.
- b. Again, in this section CenturyLink claims that because we can only serve customers that can see the transmitter that we cannot serve all customers. While this is technically true, we have served many customers by providing relay sites through other customers to work around that problem. In addition, it would appear as though the person who wrote this has not been to our area. As stated before, we are located in a desert where almost all of the trees were planted for a specific purpose. There are only a small percentage of customers outside of the towns that cannot see one of our access points and those in town already have access to CenturyLink's DSL.
- c. CenturyLink then focuses on price. While our pricing is typically higher than what the average CenturyLink customer pays, I believe that there is not as great a difference as is claimed. First of all, in the \$540/first year cost that CenturyLink lists, they do not include the \$49.95 installation fee. While it may be true that we require our \$100 installation fee and many CenturyLink customers are not required to pay an installation fee, our fee also includes the time for a technician to ensure that the computers within the residence are working on the Internet and that our services greatly reduce the number of calls necessary for new customers. In addition, although our service costs \$59.95/month for a roughly equivalent service to the \$44.95/month that Centurylink provides, our \$59.95/month includes all taxes and fees, and so the complete charge that our customers see on their bill is \$59.95/month.

CenturyLink adds additional fees and taxes to their service that is not included in the price comparison. This makes its arbitrary aggregate charge of at least \$720 a rather difficult and arbitrary cutoff number for excessive pricing. It would be more reasonable to compare a bill for one of our customers who only receive Internet service with one of CenturyLink's customers who only receive Internet service to see what the true cost comparison is.

Furthermore, should the FCC choose to subsidize CenturyLink's expansion into our lower cost service areas and leave out our higher cost areas, then it could force us to raise rates on our remaining customers as our costs per customer would increase.

- d. CenturyLink then compounds its issues with price comparison by attempting to compare quality of service using a few statements that attempt to categorize wireless providers with satellite. This approach does not look at what the actual service being provided is, and is therefore flawed. In particular some of the issues with satellite service are that the upload speeds are low, latency is high and bandwidth is shared across a wide area. We average approximately 12 customers per access point which reduces the congestion that we have. Our latency is generally equivalent to the latency of the DSL providers in our area and we offer packages of between 1 and 4 Mbps download speeds with upload speeds between 512kbps and 2 Mbps. We also have customers that run Netflix over our wireless network as well as VOIP services and most of our customers find that those services work reliably on our network. Clearly with these kinds of capabilities, it is difficult to believe CenturyLink's claims that there is a great disparity between the quality of its service and ours. We have generally been able to mitigate the interference we have received and have found that our outages and troubles are usually shorter and less frequent than those of equivalent CenturyLink customers in the area. In addition, despite our higher costs, out of roughly 100 customers within the Prosser area, 9 of those are within the city limits and definitely have access to CenturyLink's DSL but have chosen our service despite this, and by a rough estimate, it actually appears as though close to 20 of our customers in this area alone actually have access to DSL but have chosen our service. While we cannot confirm the higher number, as it would require a more exhaustive search than we feel is prudent, it is clear that a certain percentage of our customers have chosen our service over CenturyLink's because of quality. We also already offer a 4 Mbps download/2 Mbps upload package to any of our customers and thus already meet any future potential requirements for the definition of broadband. While right now we believe that our cost for this service is higher than it should be in the future, we have already proven over the last 5 years that we could double our speeds without increasing costs and expect to be able to continue to do that over the next several years.
- e. CenturyLink then goes on to discuss WISP data caps, but this is irrelevant to our customers due to the fact that we have no data caps in place.

In conclusion, we believe that granting this waiver will harm the rural/rural divide for broadband rather than help it. We believe it will allow CenturyLink to provide and advertise broadband service to our

existing lower cost customers raising our costs per customer and increasing the cost that truly rural customers are paying for this service. We do not believe that CenturyLink has provided any real justification or proof that the customers it hopes to serve with this additional funding are actually unserved, and we believe that instead it will use this money to compete with an existing service that has built a rural broadband service without any federal subsidies. We welcome CenturyLink to compete with us for these customers, but we believe that they should do so on an equal footing without federal subsidies.